

Insurance Recovery in the Wake of the Boston Marathon Bombing

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On Patriot's Day, April 15, 2013, shortly before 3:00 p.m., two bombs went off on Boylston Street near the finish line of the Boston Marathon. In addition to three deaths and 150+ injured, nearby property was damaged and businesses were closed up to a week for the investigation. This was a grand scale calamity, the reason why people and businesses buy insurance: so they are protected when the unexpected happens.

Unfortunately, that insurance coverage might not be there. In the wake of the attacks of September 11, 2001, Congress passed the [Terrorism Risk Insurance Act](#) (Pub. L. 107–297, 116 Stat. 2322), reauthorized in [2007](#), creating the [Terrorism Risk Insurance Program](#), administered by the U.S. Department of the Treasury. In order to trigger the program, which would have the Federal government cover 85% of insured losses, there must be at least \$5 million in property damage from a single event, plus over \$100 million in damage from terrorism through the year. In addition, the Secretary of the Treasury, Jack Lew, along with the U.S. Attorney General Eric Holder and Secretary of State John Kerry, must certify that it is an “act of terrorism”. This has a special meaning: it must have been committed to affect U.S. policy or coerce citizens. As the motives of the alleged bombers are not clear, such certification may never happen.

In addition, as reported in the [Boston Globe](#), many insurance policies contain a rider specifically exempting coverage for property losses and business interruption where a certified act of terrorism has occurred. Only 60% of businesses have purchased insurance that covers certified acts of terrorism, according to the [Congressional Research Service](#).

Thus, a dichotomy. If the bombing is certified as an act of terrorism, the Federal government will pay 85% of insured losses for the 60% of businesses purchasing such coverage. But, if it is not certified, then the exclusion affecting 40% of businesses will not be triggered. Whichever occurs, the [Raymond Law Group](#) can help a business understand its rights and pursue all available insurance coverage, government programs, and those who caused this tragedy to occur.

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